

**MINUTES OF REGULAR MEETING
OPEN SESSION
May 17 and 18, 2011
ILLINOIS GAMING BOARD
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Tuesday, May 17, 2011 a Regular Meeting of the Illinois Gaming Board ("Board") was held on the 3rd floor at 160 N. LaSalle, Chicago, Illinois.

On Tuesday, May 17, 2011 at approximately 9:30 A.M. the following Board members were present: Chairman Jaffe, Members Charles Gardner, and Joseph Moore. At 9:45 A.M. on Tuesday, May 17, 2011, Chairman Jaffe called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat gambling Act, Member Gardner moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

1. **Personnel matters;**
2. **Investigations concerning applicants and licensees; and**
3. **Closed session minutes.**

Member Moore seconded the motion. The Board approved the motion unanimously by voice vote. The Board recessed at 11:50 A.M.

On Wednesday, May 18, 2011 the meeting reconvened at 11:50 A.M. Present were the following Board Members: Chairman Jaffe, Members Charles Gardner, Eugene Winkler, and Joseph Moore.

The Board remained in Closed Session until approximately 12:50 P.M. The Board recessed and went into open session at 1:10 P.M. Present were the following: Chairman Jaffe, Members: Charles Gardner, Eugene Winkler, and Joseph Moore.

APPROVAL OF MINUTES

Member Gardner moved that **the Board approve the open session minutes of its Regular Meeting of April 13, 2011.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

Dissemination of Closed Session Minutes – July 2010 – December 2010

Member Gardner moved **to make available for public inspection all portions of closed session minutes of the Illinois Gaming Board from July, 2010 through December, 2010 for which the need for confidentiality no longer exists.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

BOARD MEMBERS' COMMENTS –

Member Moore commented about the “Diversity Fair” which took place at Nay Pier in April, 2011. He commended the vendors and owner licensees that participated. A job well done.

ADMINISTRATOR'S REPORT -

Administrator Ostrowski gave a brief report relating to the flooding of the Ohio River which closed down Harrah's Metropolis for three weeks; the opening of the “Poker Room” at Harrah's Joliet and the expected opening date of the Rivers Casino in Des Plaines, Illinois.

PUBLIC COMMENTARY –

- Robert Olsen, President, Outreach Foundation

Mr. Olsen addressed the Board giving background information on him and also assured the Board that the internal problems that were being faced by the foundation were remedied and the foundation is moving forward.

- Mark Osterhaus – Senior Vice President and General Manager of Harrah's Metropolis

Mr. Osterhaus briefed the Board and staff of the flood damage at the riverboat due to heavy rains and the flooding of the Ohio River. He explained to the Board the damages to the property and the estimate the insurance company had assessed to be at \$3.5M. The estimated re-opening date of the facility will be May 27, 2011. Mr. Osterhaus stated that all the employees were paid their full wages during the closure of the facility.

OWNER LICENSEE ITEMS

- Item for Initial Consideration -
 - Casino Queen, Inc. – Re-financing of Existing Credit Facility

Jeff Watson, General Manager and Bill Vandersand, Legal Counsel appeared before the Board.

- Item for Final Consideration -
 - The Rock Island Boatworks, Inc. – License Renewal

James Montana appeared before the Board on behalf of Rock Island Boatworks along with Louis Jacobs, Principal Delaware North Companies, William Bissett, President of Delaware North Companies Gaming & Entertainment, Inc. and Therrin Protze President and General Manager of Jumer's Casino. Mr. Jacobs initiated the power point presentation which summarized all the work in the different venues that Delaware North Companies maintains along with the new ownership of the Rock Island Boatworks, Inc. and the plans that will be in place to continue to move Jumer's Casino forward.

Member Moore inquired about the tuition reimbursement program along with a diversity plan. Mr. Jacobs assured Member Moore that they will continue with the tuition reimbursement program and will continue with the diversity plan.

Based on a review of staff's investigation and recommendation, Member Winkler moved that **the Board approve the Owner's License of The Rock Island Boatworks, Inc. for a term of 4 years expiring in May, 2015.**

Furthermore, Member Winkler moved that **the IGB designate and approve the following business entities, positions and individuals as Key Persons of The Rock Island Boatworks, Inc.:**

1. **Delaware North Companies, Inc.;**
2. **Delaware North Companies Gaming & Entertainment, Inc.;**
3. **DNC Gaming & Entertainment of Illinois, Inc.;**
4. **Chairman, Delaware North Companies, Inc.;**
5. **Chief Executive Officer, Delaware North Companies, Inc.;**
6. **Principal, Delaware North Companies, Inc.;**
7. **President, Delaware North Companies Gaming & Entertainment, Inc.;**
8. **Director, Delaware North Companies Gaming & Entertainment, Inc.;**
9. **Director, DNC Gaming & Entertainment of Illinois, Inc.;**
10. **President, DNC Gaming & Entertainment of Illinois, Inc.;**
11. **Director, The Rock Island Boatworks, Inc.;**
12. **Jeremy M. Jacobs;**
13. **Jeremy M. Jacobs Jr.;**
14. **Louis M. Jacobs;**
15. **Charles M. Jacobs;**
16. **Terry C. Burton;**
17. **William J. Bissett;**
18. **Michael D. Corbin;**
19. **Jeremy M. Jacobs Family Trust; and**
20. **Jeremy M. Jacobs Trust dated April 1, 1973.**

Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Midwest Gaming & Entertainment, LLC – Ellen Rashkow – Owner

John Janicik appeared before the Board.

Based on a review of staff's investigation and recommendation, Member Moore moved **to approve the following individual, who is a "minority person" or "female" as defined under the Illinois Riverboat Gambling Act and who intends to indirectly own interest in Midwest Gaming & Entertainment, LLC through Casino Investors, LLC.**

- 1. Ellen Rashkow.**

Member Moore further moved **pursuant to Section 3000.235 of the Adopted Rules to approve the corresponding redemption of interests in Midwest Gaming Holdings, LLC from CVG Chicago Gaming, LLC and High Plains Gaming, LLC and the issuance of interests to Casino Investors, LLC consistent with the financing documents previously provided to the Board.**

Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Midwest Gaming & Entertainment, LLC – Jamie Peisach - Owner

John Janicik appeared before the Board.

Based on a review of staff's investigation and recommendation, Member Gardner moved **to approve the following individual, who is a "minority person" or "female" as defined under the Illinois Riverboat Gambling Act and who intends to indirectly own interest in Midwest Gaming & Entertainment, LLC through Casino Investors, LLC.**

- 1. Jamie Peisach, as beneficiary of the JP 18 Trust.**

Member Gardner further moved **pursuant to Section 3000.235 of the Adopted Rules to approve the corresponding redemption of interests in Midwest Gaming Holdings, LLC from CVG Chicago Gaming, LLC and High Plains Gaming, LLC and the issuance of interests to Casino Investors, LLC consistent with the financing documents previously provided to the Board.**

Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

OCCUPATIONAL LICENSES APPROVALS & DENIALS – LEVEL 2s & 3s

Based on staff's investigation and recommendation, Member Gardner moved that **the Board approve 41 applications for an Occupational License, Level 2, and 96 applications for an Occupational License, Level 3.**

Further, Member Gardner moved that **the Board direct the Administrator to issue a Notice of Denial to the following individuals who received notice that staff intended to recommend denial and either did not respond or provide additional information to rebut the recommendation.**

- 1. Jeremy N. Harris; and**
- 2. Sara A. Hart.**

Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

PROPOSED COMPLAINT AND DISCIPLINARY ACTION

- Nirpa Gurung – Occupational Licensee

Based on staff's investigation and recommendation, Member Gardner moved that **the Board issue a Disciplinary Complaint against Nirpa Gurung, an Occupational Licensee, for failing to disclose all material changes in information to the Board.**

Further, Member Gardner moved that **the Board fine Nirpa Gurung \$250. Said fine not to be paid directly or indirectly by the Owner Licensee and said action to take effect twenty-one (21) days from the date of service of the complaint unless the Licensee files an Answer within that time period.** Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

- Ashley L. Bodemuller – Occupational Licensee

Based on staff's investigation and recommendation, Member Moore moved that **the Board issue a Disciplinary Complaint against Ashley L. Bodemuller, an Occupational Licensee, due to her ordering food for herself and billing it to a guest she was waiting on at Harrah's Joliet.**

Further, Member Moore moved that **the Board revoke Ashley L. Bodemuller's Occupational License. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the Licensee files an Answer within that time period.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- LuAnn A. Hackbarth – Occupational Licensee

Based on staff's investigation and recommendation, Member Moore moved that **the Board issue a Disciplinary Complaint against LuAnn A. Hackbarth, an Occupational Licensee, due to her admitted conduct of stealing money from patrons of GVC.**

Further, Member Moore moved that **the Board revoke LuAnn A. Hackbarth's Occupational License. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the Licensee files an Answer within that time period.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

ADMINISTRATIVE HEARINGS/ALJ REPORTS

- Janet Lynn Harman – Proposed Settlement

Based on staff's recommendation Member Moore moved to **accept the proposed settlement and delegate to the Administrator the authority to execute a settlement agreement.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

At 2:05 P.M. Chairman Jaffe motioned to adjourn and Member Gardner seconded the motion. All Members voted in favor of adjournment.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator